



**WRITTEN TESTIMONY OF  
JOHN M. MURPHY, MD,  
PRESIDENT AND CEO OF THE WESTERN CT HEALTH NETWORK  
SUBMITTED TO THE  
PLANNING AND DEVELOPMENT COMMITTEE  
Wednesday, March 11, 2015**

**HB 6965, An Act Concerning The Preservation Of Municipal Tax Bases**

We appreciate your consideration of this written testimony concerning **HB 6965, An Act Concerning The Preservation Of Municipal Tax Bases**. Western CT Health Network (WCHN) opposes this bill. On behalf of WCHN's patients, community and employees, we urge the General Assembly to keep the current tax exemption and payment in lieu of taxes (PILOT) funding structure in place.

Our organization is challenged by unprecedented changes in healthcare and State and Federal cuts aimed at our hospitals, yet we are fully committed to transforming the way we are providing care for our patients. We remain focused on providing safe, accessible, affordable, patient-centered care for all entrusted to our care. We continue to find new and innovative solutions to integrate and coordinate care to better serve our patients – one patient at a time.

Adding to our challenges, HB 6965 would allow municipalities to tax not-for-profit hospitals and, if passed into law, Connecticut would be the only state in the nation to levy property tax on these hospitals.

As a Physician CEO of a not-for-profit three-hospital Network, the very notion of imposing taxes on our mission-driven organization causes grave concerns. This is not because we do not believe we need to take on our fair share of burden; but rather this tax is additive to other taxes and reductions proposed or in place while completely ignoring our community benefit investments. Each year, we invest tens of millions of dollars to assist the poor, promote health literacy and provide critical health screenings. We ensure, 24 hours a day, 365 days a year, that there is always an open door and a compassionate clinician ready for those that need our help.

There is a property tax exemption for hospitals in CT – implemented many years ago in recognition of the unique and critically important role hospitals play in their communities. Not only do our hospitals care for the ill and injured, we also play a major and continually expanding role in improving community health. We have many initiatives underway to prevent patients from disease, eliminate the need for re-admittance, decrease unnecessary usage of the emergency department by the homeless with mental and behavioral issues and even offer social and nutrition programs to seniors to keep them healthy and thriving in their homes. We are on the front lines, every day, helping to keep the elderly, frail and homeless safe and warm in bad weather, and we are often the first screening point for public health scares like Ebola.

We are major employers and purchasers Connecticut goods and services. We recognize and accept the responsibility of being economic drivers for our communities.

Our commitment to our communities has not wavered, even while the financial burdens imposed on hospitals by the state have grown increasingly unbearable. With the announced bi-ennial budget for 2016-17, we are faced with more than \$22 million in new taxes and Medicaid provider rate reductions. We have made difficult choices to account for taxes paid and revenues decreased no matter how unpopular because it was the responsible decision. We have discontinued programs, limited services, delayed new equipment and facility upgrades intended to bring the least harm to our patients, community and employees. We continue to soldier on for those patients, families and employees we care so much about.

Ultimately, if this measure passes, our communities will lose. In every village, town and city across this great state, people who are still struggling will lose if this effort is successful. Every day, the people who live in our communities rely on the services that hospitals provide to help them regain or maintain their health. Each dollar we cannot spend to serve them will take away care they surely need. This discussion today is not about hospitals. The real victims of this proposal will be the communities in our state.

We cannot endure another tax without causing new harm to those who have come to count on the safety net we provide. We urge you to keep the current tax exemption and PILOT funding structure in place.

**THANK YOU FOR YOUR CONSIDERATION OF THIS TESTIMONY.**